

“J00B01 – MDOT State Highway Administration”

SHA RESPONSE TO DLS ANALYSIS

DLS Budget Analysis – Performance Analysis: Managing for Results

1. Safety (Page 7)

DLS recommends that SHA comment on the progress of 12 Months of Safety and other measures it is taking to improve safety throughout the State highway system.

SHA Response:

The State Highway Administration (SHA) has made traffic safety the number one priority in its new business plan and has established ambitious objectives for reducing vehicle crashes, fatalities and injuries. If these objectives are to be met, a coordinated, continuous and comprehensive effort will be required by numerous governmental agencies, safety advocacy groups, elected officials and members of the public. A concerted effort will be needed in all three of the “E’s” of traffic safety, engineering, education, and enforcement. The effectiveness of each of the “E’s” is bolstered by coordinated efforts with the other two “E’s.” In order to help organize and bring more attention to the many efforts that historically have been undertaken in this area, the concept of “Twelve Months of Safety” was developed, in which each month focuses on one critical aspect of traffic safety. This is a coordinated effort among SHA, the Maryland Transportation Authority, Motor Vehicle Administration, Maryland State Police, local governments and traffic safety advocacy groups.

The campaign was kicked off with a press conference on January 12th, has had considerable press coverage and media support thus far. February is focused on Child Passenger Safety and there are educational and community outreach efforts underway throughout the state.

The State Highway Administrator and State Police Superintendent and their key staff members will meet shortly to discuss a coordinated traffic safety effort between SHA’s Maryland Highway Safety Office and the Maryland State Police. The State Highway Administrator has also been enlisting the support of elected officials from all jurisdictions in the state to focus on traffic safety as a critical public policy issue. Seat belt usage and impaired driving continue to be the areas with the greatest potential payoff in terms of public policy focus, and these will be major emphasis areas in the “Twelve Months of Safety” campaign. Coordinating enforcement efforts with educational campaigns has been shown to be more effective than when enforcement or educational efforts are undertaken separately.

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SHA will also continue to focus on making engineering improvements as part of its traffic safety efforts. Increased funding is needed for making improvements at high crash locations, installing and retrofitting traffic safety barriers, addressing locations that have the potential to become high crash locations before crash problems develop, making improvements to traffic signals and signs, and addressing problem locations for pedestrians and bicyclists. SHA recommends that the safety improvement program be a high priority for additional investment.

2. System Preservation (Page 8)

- a. DLS recommends that SHA comment on how the acceptable ride quality percentage compares to other states.**

SHA Response:

It is difficult to do a direct comparison among states using the same performance measure selected by SHA. However, a direct comparison of acceptable riding condition with other states is available for Interstate pavements. All states report this information to the Federal Highway Administration on an annual basis. Maryland ranks 25th in the nation with 87% of Interstate pavement in acceptable condition. There are no direct comparisons for other segments of the highway system because the extent of the highway system, the types of roadways, and sampling methodologies vary from state to state.

SHA has included a question on ride quality in its most recent customer survey. Those responses will help in assessing the degree to which the traveling public is satisfied with the current pavement condition.

SHA is attempting to optimize pavement investments using asset management tools that determine what investment will minimize long term pavement cost. Unfortunately, SHA’s asset management programs are showing that unless higher level of investments are made in pavement rehabilitation, overall pavement conditions will continue to deteriorate.

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Pavement condition ratings over the past 3 calendar years are showing some increase in the pavements rated “mediocre” or “poor”, as well as a decrease in the pavements rated “very good” and “good.” This trend is a cause for concern since the ratings for the previous three years were showing steady gains in ride quality. SHA recommends that an expanded pavement resurfacing program be a high priority for additional investment.

- b. DLS recommends that SHA comment on trends in the structurally deficient bridge performance measure given that the percentage has been 3.0% in the past and whether 4.0% is an acceptable percentage of structurally deficient statewide bridges.**

SHA Response:

SHA is concerned about the trend on structurally deficient bridges. Structurally deficient bridges are defined as those that warrant major repair work or replacement, but if posted are safe for legal loads, or if weight posted, are safe for that limit. The number of structurally deficient bridges on the state highway system has dropped from around 160 in the mid-1990’s to 110 in 2002, but increased to 116 in 2003. Although national ratings do not reflect severity or safety, Maryland is 35th in the nation in bridges rated sufficient.

More capital funding for bridge improvements is needed to reverse the current trend, but the percentage of structurally deficient bridges will never be at zero. All bridges on the NHS can safely carry legal loads. However, a small number of bridges will be rated as being structurally deficient due to the condition of the bridge deck. Although this may affect the smoothness of ride, it does not affect the ability of the bridge to support legal loads. A bridge deck in need of major repair or replacement may be rated deficient for several years as the engineering and construction phases occur. That bridge will be acceptable from a safety standpoint during that time period, but will count as a structurally deficient bridge until repairs are completed.

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1. Congestion Pricing and High Occupancy Toll (HOT) Lanes (Page 20)

DLS recommends that SHA comment on the potential for HOT lanes in the Washington DC/Baltimore region.

SHA Response:

Due to changes in toll collection technology, interest is increasing across the United States in the concept of managed lanes (i.e. lanes where tolls are charged that are varied by time of day). Managed lanes can be both a method for managing congestion (higher tolls are charged during peak periods to encourage users to use the facility during off peak periods), as well as a method for financing a portion or all of the cost of constructing the managed lanes through toll revenue bonds. Managed lanes also provide a means by which bus rapid transit can operate in the less congested toll lanes. High Occupancy Toll (HOT) lanes are one version of managed lanes where low occupancy vehicles are charged a toll and high occupancy vehicles travel either for free or at a discounted rate.

The State Highway Administration (SHA) and the Maryland Transportation Authority (MdTA) have been studying where it may make financial sense to further pursue planning and implementation of managed lanes in Maryland. Managed lanes make the most sense on freeways where there are high amounts of congestion on a regular basis. Managed lanes are currently being considered in several corridors where freeway expansion projects are being planned. In all cases involving existing roads, there would be a combination of free lanes and tolled lanes, so drivers that have a free alternative today would continue to have a free, but congested, alternative available after the managed lanes open. In the case of a completely new roadway, like the Intercounty Connector, all lanes would be managed lanes with tolls varying by time of day.

SHA and MdTA’s study has shown that a significant portion of the cost to add new lanes to the Capital Beltway, Baltimore Beltway, I-270, I-95 between the beltways, I-95 northeast of Baltimore, and MD 5 between the Capital Beltway and US 301 could be financed through toll revenue bonds if managed lanes were constructed and operated in these corridors. In addition the conceptual financing plan for the Intercounty Connector is based on operating the facility with managed lanes.

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As envisioned in Maryland, tolls would primarily be collected through EZ Pass transponders. Enforcement and toll collection become much more complicated for HOT lanes than for managed lanes where everyone pays a toll, and they become almost impossible where HOT lanes cannot be physically separated from the free lanes. In most of the corridors cited above there is insufficient right of way available to provide a barrier separation between the managed lanes and free lanes, so SHA and MdTA’s current thinking is that all vehicles in the managed lanes would be charged a toll. Planning is currently underway to look at the managed lane concept from a systemwide standpoint, as well as to look at managed lanes on a project-by-project basis. As project development activities are pursued in each of the above cited corridors, managed lane alternatives will be evaluated and presented to the public.

2. Audit Reports on State Vehicle Fleet and SHA (Page 21)

- a. DLS recommends that SHA comment on OLA’s findings related to SHA’s vehicle fleet with particular attention to the 120 SHA employees reimbursed for over 10,000 vehicle miles.**

SHA Response:

The three items noted by the analyst related to the SHA fleet were SUV purchases, private mileage reimbursement, and underutilized vehicles.

With regard to justification for SUV purchases, SHA has submitted more detailed justification data with the budget submission for 2003, consistent with DBM requirements. As detailed in the justification to DBM, the Administration purchased SUVs for individuals designated as essential personnel who utilize these vehicles on a daily basis for all types of emergency operations, incident responses, construction projects, and snow removal operation during the winter. Top management in our seven Districts, District Engineers and Resident Maintenance Engineers, are expected to drive highways during snowstorms, including blizzards, and it is not reasonable to expect them to drive vehicles not equipped with four-wheel drive during these conditions. These vehicles are used at construction sites at all times of the year in areas where only four-wheel drive type vehicles can travel. The SUV is one of our essential tools that assure us

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timely response to any emergency. Many times, employees who are assigned SUVs are required to investigate highway issues or drive around traffic congestion to gain access to a traffic incident, which often requires off-road driving. The ground clearance provided by an SUV allows employees to drive over unpaved areas, across medians, roadway side slopes, over curbs and through flooded areas. These vehicles are equipped for tow hitches, arrow boards and variable message signs; can pull trees from the roadway; and drive through deep snow and drifts during winter storms. An alternative vehicle could not provide the flexibility required to respond to incidents or ensure the safety of the essential employees assigned these SUVs, as well as the safety of the public. DBM has accepted SHA's justification and has permitted acquisition of SUV's for the SHA fleet.

With regard to the 120 Administration employees with private vehicle mileage reimbursement in excess of 10,000 miles in fiscal 2003, approximately 90% of these employees are construction inspectors who travel from their homes to job sites daily. There are a number of reasons why many of the inspectors have not been assigned State vehicles. SHA construction project assignments may be anywhere in the state and long distances from an employee's home. Assignments for each inspector change as projects are completed and new ones begin. This causes mileage reimbursement for those not assigned state vehicles to change also. Also, given the nature of the work, these employees would need to be assigned pick-up trucks or similar vehicles, versus the sedans that comprise a good portion of the State's vehicle fleet.

SHA recognizes that private vehicle mileage above a certain annual amount is not cost-effective. An analysis performed to determine the annual mileage at which the cost of a State-assigned pick up truck equaled reimbursement for a privately-owned vehicle found that the breakeven point was approximately 25,000 miles. Pick-up trucks have a more expensive purchase price than sedans, have lower gas mileage, and experience more repairs due to the nature of the usage of the vehicle, so the breakeven point between paying mileage for a personal vehicle and using a State vehicle is higher than with sedans.

Approximately 40 SHA employees were reimbursed for 25,000 miles or more in 2003. SHA is working on assigning vehicles to those individuals; however, since the underutilized vehicles at SHA are primarily sedans, some reassignments may need to be made when sedans are traded in and new vehicles are purchased in fiscal 2005. SHA will work with DBM to trade in sedans and purchase pick-ups where necessary. SHA plans to reduce its sedan fleet during fiscal 2005, and replace sedans with a smaller number of pick-up trucks.

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Although these changes will meet the requirements for vehicle assignment, the impact on SHA’s construction inspectors should be noted. Individuals who are assigned State vehicles are not allowed to use them for any personal purpose. These employees, who are traveling long distances, sometimes in excess of 90 miles from home per day, will not have the flexibility to stop along the route home to participate in day care obligations, continuing education opportunities, or household chores without first dropping the State vehicle off and picking up a personal vehicle. This impact is significant for those who we are asking to travel 90 miles or more per day from their home.

As noted above, SHA is reviewing usage on underutilized vehicles and expects to eliminate a number of sedans from its fleet to eliminate low usage of State vehicles. The budget impact has not been determined since more expensive pick-up trucks will be purchased in lieu of less expensive sedans.

SHA will continue to cooperate with DBM to ensure that vehicle assignments are being made in a way that minimizes cost to the State. These activities will be completed before the follow-up audit.

- b. DLS recommends that SHA should brief the committees on the new procedures for open-end time and material contracts and how the procedures address the concerns of the OLA audit. SHA should also discuss any additional measures it is taking to address OLA audit concerns.**

SHA Response:

The findings from the June, 2003 Office of Legislative Audits report have been resolved and the recommendations implemented. With regard to the open-end time and material contracts, SHA established procedures outlining the responsibilities of contract managers to retain all contract documentation, monitor time and cost on a routine basis, and to review invoices submitted by contractors on a random basis. There are also procedures concerning the SHA inspectors’ responsibilities to prepare daily reports, verify payroll for the contractor and subcontractors, and review and approve all invoices and supporting documentation. All reviews must be documented. These controls are designed to preclude improper payments from occurring.

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Also of note, SHA has worked with the DBM Central Collection Unit (CCU) to establish mutually agreeable time frames to refer items for collection. Many of the disputed accounts involve utility companies and local jurisdictions where the disputes concern contracts or the non-SHA share of construction cost. These items may take more than 90 days to resolve and are entities with which SHA has long-standing relationships. CCU has agreed to allow SHA to report items disputed at 180 days, but to continue collection efforts without referral if the parties are in discussion. Items must be referred at 18 months unless CCU provides a specific exemption for SHA to retain an account.

SHA is continuing to assess its internal control environment and adopt procedures as needed. SHA will also provide expanded training for managers and other employees with fiscal responsibilities to provide a better understanding of internal controls and the importance of carrying out duties related to internal control.

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Operating Budget Recommended Actions (Page 23)

- 1. Add annual budget bill language stipulating Prince George’s County repayment for road improvements for Jack Kent Cooke Stadium infrastructure.**

SHA Response:

The Administration concurs with the annual budget bill language.